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October 29, 2007

Trustees of the Retirement Plan for the Employees of the Town of Davie
c/o Mr. Paul Shamoun
Retirement Programs Manager
Florida League of Cities, Inc.
P. O. Box 1757
Tallahassee, FL 32302

Re: Retirement Plan for the Employees of the Town of Davie

Ladies and Gentlemen:

In response to your request, we have estimated the cost of increasing the benefits payable under subject plan, as follows:

(1) If the normal retirement age for general employees is reduced from age 60 to age 58 and the benefit formula multiplier is increased from 2.00% to 2.25% for service earned after September 30, 2007, the estimated cost is 1.85% of payroll, or $154,459 for the 2006/07 plan year. The one-time lump sum cost of the change is estimated to be $641,009.

(2) If the normal retirement age for general employees is reduced from age 60 to age 58 and the benefit formula multiplier is increased from 2.00% to 2.25% for all service, the estimated cost is 3.06% of payroll, or $274,882 for the 2006/07 plan year. The one-time lump sum cost of the change is estimated to be $1,465,582.

(3) If the normal retirement age for general employees is reduced from age 60 to age 58 and the benefit formula multiplier is increased from 2.00% to 3.00% for service earned after September 30, 2007, the estimated cost is 5.32% of payroll, or $499,286 for the 2006/07 plan year. The one-time lump sum cost of the change is estimated to be $3,002,127.

(4) If the normal retirement age for general employees is reduced from age 60 to age 58 and the benefit formula multiplier is increased from 2.00% to 3.00% for all service, the estimated cost is 10.10% of payroll, or $974,665 for the 2006/07 plan year. The one-time lump sum cost of the change is estimated to be $6,257,096.

(5) If the benefit formula multiplier for management employees is increased from 3.00% to 3.25% for service earned after September 30, 2007, the estimated cost is 0.14% of payroll, or $14,727 for the 2006/07 plan year. The one-time lump sum cost of the change is estimated to be $103,995.

(6) If the benefit formula multiplier for management employees is increased from 3.00% to 3.25% for all service, the estimated cost is 0.73% of payroll, or $74,029 for the 2006/07 plan year. The one-time lump sum cost of the change is estimated to be $522,739.

(7) If the benefit formula multiplier for management employees is increased from 3.00% to 3.50% for service earned after September 30, 2007, the estimated cost is 0.29% of payroll, or $29,454 for the 2006/07 plan year. The one-time lump sum cost of the change is estimated to be $207,990.

(8) If the benefit formula multiplier for management employees is increased from 3.00% to 3.50% for all service, the estimated cost is 1.46% of payroll, or $148,058 for the 2006/07 plan year. The one-time lump sum cost of the change is estimated to be $1,045,478.

(9) If the benefit formula multiplier for management employees is increased from 3.00% to 3.75% for service earned after September 30, 2007, the estimated cost is 0.44% of payroll, or $44,182 for the 2006/07 plan year. The one-time lump sum cost of the change is estimated to be $311,984.

(10) If the benefit formula multiplier for management employees is increased from 3.00% to 3.75% for all service, the estimated cost is 2.20% of payroll, or $222,087 for the 2006/07 plan year. The one-time lump sum cost of the change is estimated to be $1,568,218.

(11) If the benefit formula multiplier for management employees is increased from 3.00% to 4.00% for service earned after September 30, 2007, the estimated cost is 0.58% of payroll, or $58,909 for the 2006/07 plan year. The one-time lump sum cost of the change is estimated to be $415,979.

(12) If the benefit formula multiplier for management employees is increased from 3.00% to 4.00% for all service, the estimated cost is 2.93% of payroll, or $296,116 for the 2006/07 plan year. The one-time lump sum cost of the change is estimated to be $2,090,957.

Please note that the results shown above are based on the participant data and actuarial assumptions used to complete the October 1, 2006 valuation of the plan. The increase in the annual dollar costs shown above are the additional costs for the 2006/07 plan year as if each respective alternative had been adopted as of October 1, 2006. Also, the costs shown for reducing the normal retirement age do not anticipate the additional cost of providing a new pension benefit to new employees who would replace the current employees who would be eligible to retire earlier. Therefore, the ultimate cost of any alternative that provides for earlier retirement for existing employees will be higher, and in some cases significantly higher, than the amounts shown in this letter.

If you have any questions or would like for us to review additional plan alternatives, please do not hesitate to call me.

Sincerely,

Charles T. Carr
Consulting Actuary

	On-Going Cost %	One Time Lump Sum Cost	On-Going Cost Amount		One Time Lump Sum Cost	On-Going Cost Amount
Study #1	1.85%	$641,009.00	$154,459.00		$ 849,418.91	$204,677.93
Study #2	3.06%	$1,465,582.00	$274,882.00		$ 1,942,083.59	$364,253.81
Study #3	5.32%	$3,002,127.00	$499,286.00		$ 3,978,202.24	$661,617.81
Study #4	10.10%	$6,257,096.00	$974,665.00		$ 8,291,452.47	$1,291,555.78
Study #5	0.14%	$103,995.00	$14,727.00		$ 137,806.68	$19,515.16
Study #6	0.73%	$522,739.00	$74,029.00		$ 692,696.03	$98,097.89
Study #7	0.29%	$207,990.00	$29,454.00		$ 275,613.35	$39,030.32
Study #8	1.46%	$1,045,478.00	$148,058.00		$ 1,385,392.06	$196,195.79
Study #9	0.44%	$311,984.00	$44,182.00		$ 413,418.70	$58,546.80
Study #10	2.20%	$1,568,218.00	$222,087.00		$ 2,078,089.42	$294,293.68
Study #11	0.58%	$415,979.00	$58,909.00		$ 551,225.38	$78,061.96
Study #12	2.93%	$2,090,957.00	$296,116.00		$ 2,770,785.45	$392,391.57

Assumes $10 million in salary

Asssumes $13 million in salary